

**INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY
AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009
SECTION 1602 TAX CREDIT EXCHANGE PROGRAM
PROMISSORY NOTE**

\$_____.

Date: _____, 20__

Indianapolis, Indiana

FOR VALUE RECEIVED, [BORROWER], organized and existing under the laws of the State of Indiana ("Borrower"), promises to pay to the order of **INDIANA HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY**, a public body corporate and politic of the State of Indiana ("IHCDA"), as administrator of the American Recovery and Reinvestment Act of 2009 Section 1602 Tax Credit Exchange Program, or its assigns, at its office in Indianapolis, Indiana or at such other place as IHCDA may designate in writing, in lawful money of the United States of America, the principal sum of _____ and /100 Dollars (\$_____.), or so much thereof as may be advanced pursuant to that certain loan agreement of even date herewith between Borrower and IHCDA (the "Loan Agreement") on the Maturity Date. The indebtedness evidenced by this Note shall bear interest at a rate of zero percent (0%) per annum.

For the purposes of this Note, the "Maturity Date" shall mean the date that is fifteen (15) years from the Conversion Date. Terms not otherwise defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

LOAN PURPOSE

This Note evidences a loan made by IHCDA to Borrower in accordance with the terms and conditions of the Loan Agreement (the "Loan").

REDUCTION OF OUTSTANDING PRINCIPAL BALANCE

Commencing on the first anniversary of the Conversion Date, and continuing each year on the anniversary date thereof, IHCDA shall cause the outstanding principal balance of the Loan to be reduced by an amount equal to one-fifteenth (1/15th) of the Original Principal Balance of the Loan.

For the purposes of this Note, "Original Principal Balance" shall mean all amounts disbursed under the terms of the Loan Agreement prior to the Conversion Date, which shall not exceed _____ (\$_____.).

COLLATERAL FOR THE LOAN

This Note is secured by (a) the Loan Agreement, (b) the guaranty of completion of even date herewith from [GUARANTOR] to IHCDA (the "Completion Guaranty"), (c) the recapture guaranty of even date herewith from [GUARANTOR] to IHCDA (the "Recapture Guaranty") (the Completion Guaranty _____ and _____ the _____)

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LOW RATE LOAN SUBJECT TO IC 24-9-3-2**

Recapture Guaranty are referred to collectively herein as the "Guaranties"), (d) the mortgage of even date herewith from Borrower to IHCDA (the "Mortgage"), and (e) the security agreement of even date herewith from Borrower to IHCDA (the "Security Agreement").

EVENTS OF DEFAULT

The occurrence of a Monetary Default (as defined in the Loan Agreement) under the Loan Agreement shall constitute a "Monetary Default" under the terms of this Note, for which IHCDA shall have all rights and remedies available to it under the Loan Agreement, and any other of the Loan Documents.

NON-RECOURSE

In any action or proceeding brought under this Note, no deficiency or other money judgment shall be enforced against Borrower or its partners personally, the indebtedness evidenced by the Note constituting a nonrecourse obligation. Although foreclosure actions (or similar proceedings) may be maintained, any judgment obtained shall be enforced only against the security for the Note or the indebtedness evidenced thereby. Nothing contained herein, however, shall be deemed to prejudice the rights of IHCDA to recover from Borrower all funds, damages or costs (including, without limitation, attorneys' fees) incurred by IHCDA as a result of fraud or material misrepresentation by or on behalf of Borrower or the general partner thereof. [USE ONLY WHERE THERE IS AN EQUITY INVESTOR]

GENERAL PROVISIONS

The failure to exercise any option to accelerate shall not constitute a waiver of the right to exercise the same at any other time.

The rights or remedies of IHCDA as provided in this Note and the Loan Documents shall be cumulative and concurrent, and may be pursued singly, successively or together, except as otherwise expressly set forth herein or therein. The failure to exercise any such right or remedy shall in no event be construed as a waiver of the rights to the later exercise thereof, or the release thereof. The acceptance by IHCDA of any payment tendered by Borrower, shall not be deemed a waiver by IHCDA of any delinquencies owed IHCDA by Borrower, nor shall such acceptance be deemed a waiver by IHCDA of any default hereunder. The acceptance of such payment notwithstanding, IHCDA shall retain all rights and remedies as herein provided.

Borrower and all endorsers, guarantors, sureties, accommodation parties hereof and all other persons liable or to become liable for all or any part of this indebtedness, severally waive demand, presentment for payment, notice of dishonor, protest and notice of protest, and expressly agree that the Note and any payment coming due under it may be extended or otherwise modified, from time to time without in any way affecting their liability hereunder.

This Note shall be construed according to and governed by the laws of the State of Indiana.

WAIVER OF JURY TRIAL

BORROWER AND IHCDA, AFTER CONSULTING OR HAVING HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN ANY

LITIGATION BASED UPON OR ARISING OUT OF THIS NOTE OR ANY RELATED INSTRUMENT OR AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS NOTE, OR ANY COURSE OF CONDUCT, DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN), OR ACTIONS BY AND BETWEEN BORROWER AND IHCDA. BORROWER AND IHCDA SHALL NOT SEEK TO CONSOLIDATE BY COUNTERCLAIM OR OTHERWISE, ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.

(Remainder of page intentionally left blank.)

NON-COLLUSION AND ACCEPTANCE

The undersigned attests, subject to the penalties for perjury that he/she is the properly authorized representative, agent, member or officer of Borrower that he/she has not, nor has any other member, employee, representative, agent or officer of Borrower, as applicable, directly or indirectly, to the best of the undersigned's knowledge, entered into or offered to enter into any combination, collusion or agreement to receive or pay, and that he/she has not received or paid, any sum of money or other consideration for the execution of this Agreement other than that which appears upon the face of this Agreement.

IN WITNESS WHEREOF, Borrower, through its duly authorized representative, executed this Note as of the date written below.

"Borrower"

_____,
organized and existing under the laws of the State of
Indiana

By: _____

Name: _____

Title: _____

1468593_4; BME; 09/22/09

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